Commonwealth of Massachusetts

Docket No. 06-4

Respondent: Kevin J. O'Quinn

Title: Director – Regulatory

Accounting

REQUEST: Evidentiary Hearing

DATED: August 7, 2006

ITEM: RR 16 Verizon MA's response to DTE 1-1 includes a line item for E911

Backbilling Offset for amounts Verizon MA has collected from other carriers for the wireline surcharge. What is the backbilled amount that

remains unrecovered?

REPLY: The amount backbilled to other carriers that remains unrecovered is

\$1,047,370. Of note, of the original amount billed, approximately \$3.3M

was written off.

Commonwealth of Massachusetts

Docket No. 06-4

Respondent: Kevin J. O'Quinn

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REQUEST: Evidentiary Hearing

DATED: August 7, 2006

ITEM: RR 17 What is Verizon MA's current uncollectible rate across residence and

business customers?

REPLY: Verizon MA's uncollectible rate for Year 2005 across residence and

business customers was 2.1%.

Commonwealth of Massachusetts

Docket No. 06-4

Respondent: John Conroy

Title: Vice President - Regulatory

REQUEST: Evidentiary Hearing

DATED: August 7, 2006

ITEM: RR 18 Is Verizon MA aware of any upcoming or proposed changes in the

disability access programs that could increase the cost of those programs

before December 31, 2007?

REPLY: The FCC has been discussing with State Relay Administrators through the

National Association of State Relay Administration (NASRA) the

possibility of transferring the instate costs associated with internet-based types of Telecommunications Relay Service (TRS) to the states. This would include Video Relay Service (VRS) and Internet Protocol (IP) relay service. The National Exchange Carrier Association (NECA) has been fully funding video relay service since 2000 and internet protocol relay service since 2002. The States have not funded any portion of these types of relay service because of the inability to know the origination of the call.

Such a change could impact the cost of TRS in Massachusetts.

In addition, certain contracts expire in 2007. The services and the expiration dates are listed below. New contracts could cause changes in

the cost of the programs.

Massachusetts Telecommunications Relay Service expires Jun 30, 2007; Massachusetts Equipment Program Suppliers expires May 30, 2007; Massachusetts Equipment Program Distribution Agents expires June 30,

2007.

Commonwealth of Massachusetts

Docket No. 06-4

Respondent: John Conroy

Title: Vice President-Regulatory

REQUEST: Evidentiary Hearing

DATED: August 7, 2006

ITEM: RR 19 How much advance notice would Verizon MA need in order to implement

a change in the E911 surcharge on January 1, 2007?

REPLY: Because Verizon is currently aware that the surcharge may change, it is

performing the preliminary work necessary to effectuate a rate change. As a result, it expects it could implement a rate change on 30 days notice. This interval increases to 110 days if Verizon is required to notify its

customers 30 days in advance of the rate change.

Commonwealth of Massachusetts

Docket No. D.T.E. 06-4

Respondent: Kevin J. O'Quinn

Title: <u>Director – Regulatory</u>

Accounting

REQUEST: Evidentiary Hearing

DATED: August 7, 2006

ITEM: RR 20 What interest rate(s) did Verizon MA use in calculating, in response to

DTE 1-7, the total interest anticipated under Scenarios 1 and 2?

REPLY: Detailed below are the interest rates used for the respective calendar year

periods indicated in calculating the total interest anticipated under

Scenarios 1 and 2.

2003 4.17 % 2004 3.62 % 2005 3.84 % 2006 forward 5.69 %